The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. *Kaptur*) is recognized for 5 minutes.

Ms. KAPTUR. Mr. Speaker, I have some advice for President Bush and Secretary Paulson, and that is--hold your horses. The Wall Street credit crunch is not the fault of the American taxpayer. In fact, 94 percent of the American people are paying their mortgages on time.

The credit crunch has been created by an unregulated global financial market with some pretty important players. They sure have a lot more money than our family does. This mess extends far beyond Wall Street. The co-conspirators include the central banks in China, Saudi Arabia, South Korea, and Japan. These institutions all around the world who fully understood they were buying pieces of paper held by people who lacked the ability to pay, but they wanted access to our markets to sell their goods, and they bought our debt securities to assure our government wouldn't stand tall for fair trade.

They played a form of financial musical chairs, so to speak, hoping that when the music stopped, they would not be penalized. Well, the music has stopped, and they don't want to pay the penalty. They want a bailout.

The American people for two decades have opposed the NAFTA-type trade deals that these financial houses have supported that have caused so many catastrophic losses of jobs as industries were outsourced, communities devastated, and our national wealth harmed. The American people are not to blame for that. They're frustrated with that.

Rather, it is the stewards in these financial houses, the folks over in this Bush administration, that want to extend NAFTA to Colombia now and the Federal Reserve and Treasury who fail to do their fiduciary duties.

You know, there's a lot of history here.

If we think about where the seeds were planted that caused this mess in the markets, you can go back to 1989 with the passage by this Congress of the Financial Institutions Reform, Recovery and Enforcement Act. I voted ``no'' on that bill because what it did was it placed all of these troubled savings and loans back then that had bad paper right on the books of the

American taxpayer. We paid over $250 billion for all of those mistakes, and that bill established a Resolution Trust Corporation which executed a lot of very lucrative deals to dispose of those failed thrifts, including one called in the consolidation, post-RTC, Superior Bank, which, by 2001, after getting all of the tax breaks that it got, ended up getting the largest fine in American history ever imposed by the FDIC: $450 million for its wrongdoing.

That particular Act in 1989 also diminished the role of community savings banks that had been so important in our country. That Act also took the regulatory harness off the Wall Street high-steppers, and they began to get very, very careless.

The RTC savings and loan failures ultimately have cost the American people so much that we're still paying interest on the messes from the 1980s. Now they want to add more.

Then in 1994, Congress passed--and I voted against--the Interstate Banking Act that basically allowed these financial institutions to get even bigger and less community-oriented. Give us no money on our passbook savings and charge us fees just if we have money in checking accounts. They have made billions.

I remember in 1995 when Speaker Newt Gingrich was elected, and he went down to the Banking Committee and took the name off the door. It used to be Banking, Finance and Urban Affairs, and he changed it to Financial Services; and oh, boy, have they been about doing that, putting fees on everything, practically even breathing when you walk in a bank.

So the whole idea of prudent banking was thrown out the window, and the time-honored principles of character, collateral, and collectibility were thrown out.

Then in 1999 the killer bill of all, Gramm-Leach-Bliley, was passed by this Congress, and it gutted the Glass-Steagall Act that had been there since the Great Depression. That Act passed this Congress by a margin of 362-57, and that repeal enabled commercial lenders like Citigroup, the largest U.S. bank by assets, to underwrite and trade instruments such as mortgage-backed securities and collateralized debt obligations in the international market for the first time in American history.

The repeal of that Act is one of the major contributing factors to the subprime mortgage crisis that we face. Nontransparent practices like derivatives crept in, and it was even hard to define what a bank was anymore as loans were then changed to be bonds and then bonds became securitized debt and then securitized debt was sold into the international market. And who in the world even knows where your mortgage lies.

Today, we have, as a Congress, the duty to reform the system, prosecute those responsible, and protect our taxpayers.

Mr. Speaker, might I just say, in closing, America doesn't need $700 billion for Wall Street. We need 500 more lawyers and accountants at the FBI going after these people, not as a symbolic force, but as a real force, to go after and recover the money from all the mansions, Mercedes, boats, stock options, and offshore tax havens that these people have set in place.

This is a problem that this Congress has to solve. Please support my bills, H.R. 6990 and H.R. 1452, to set America on a more prudent and diligent course in our banking and financial system.